

National Intelligence Bulletin

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LATE ITEM

CAMBODIA

At 3:30 EDT this morning fighting was continuing on Koh Tang Island, and the US Marine landing force there was pinned down by Khmer communist small arms fire. A helicopter attempting to land reinforcements on the island was shot down. Heavy tactical air and naval fire was being used to suppress Khmer communist fire and to secure a helicopter landing zone for evacuation. Shortly before 2:00 a.m. today, tactical air fire sank a Khmer communist gunboat and barge nearing the island.

The Marines who boarded the Mayaguez found the ship empty, but those landing on the island encountered considerable resistance. Five CH-53 helicopters were hit by ground fire during the landing operation. Two were downed in the waters off Koh Tang, one crash landed on the island, another made a forced landing on the Thai mainland, and the fifth managed to return safely to Utapao air base.

Only 8 minutes before the first Marines landed on Koh Tang at 7:15 p.m. yesterday, Phnom Penh radio announced that the Khmer communists had decided to release the Mayaguez. The statement, which was read by the Cambodian government's minister of information and propaganda, made no mention of the ship's crew. It said only that Phnom Penh would "order the Mayaguez from Cambodian waters and will warn it against further espionage or provocative activities."

At about 10:20 last night a Thai fishing boat, sailing under a white flag, pulled alongside the destroyer Wilson and delivered the Mayaguez' entire crew. The Thai boat and its crew of five had been in Khmer communist custody for some time.

Yesterday, the American crew had been taken from Koh Tang to Kompong Som and then to an island just off the city. The crew of the Mayaguez is in good condition and

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the ship's master has stated that they were not mistreated during captivity. The crew has been returned to the Mayaguez, which is preparing to continue its voyage to the Thai port of Sattahip.

There has been no public reaction by Phnom Penh to the successful rescue operation or to the military activity on and around Koh Tang Island.

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VIETNAM

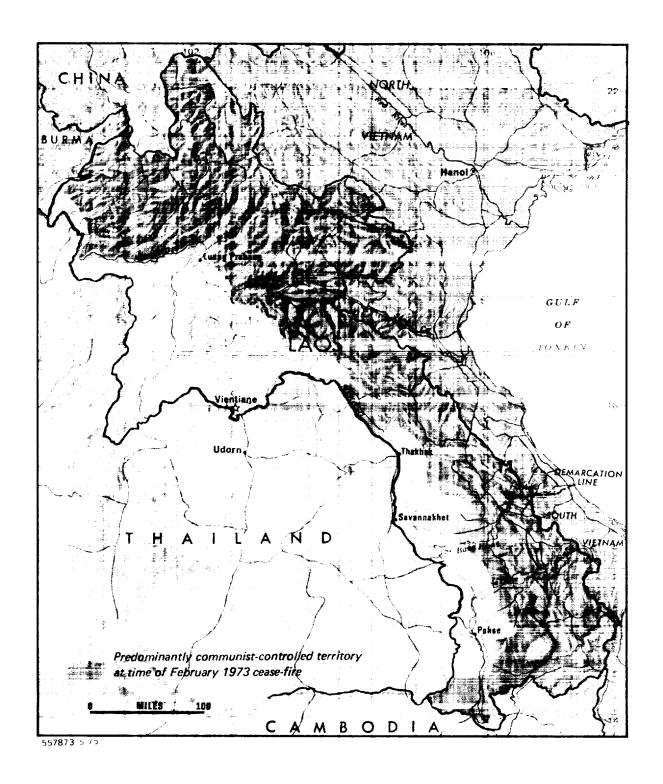
Twelve North Vietnamese communists, led by President Ton Duc Thang, will attend victory celebrations in Saigon today.

The Politburo is to be represented by Le Duc Tho, Le Thanh Nghi, and Senior General Van Tien Dung. The other delegates are representatives of the Central Committee, the Vietnam Fatherland Front, and various specialized groups such as the Vietnam Women's Union. The group was seen off by other high-ranking members of the same organizations.

Conspicuous by their absence from either the delegation or the farewell party are Senior General Vo Nguyen Giap and Politburo chief Le Duan. There is no information available to explain their absence.

Although the whereabouts of the members of the Provisional Revolutionary Government and their plans for the victory festivities are unknown, the communiqué on May 10 announcing the decision to hold the celebration was issued over the name of PRG President Huynh Tan Phat. It seems likely, therefore, that PRG members will be on hand to welcome the high-powered North Vietnamese delegation.

Today may	also be the day the	new government in
Saigon will be	formally installed.	



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LAOS

The Pathet Lao, having stripped the rightists of political and military power and induced many of their leaders to flee the country, are turning their attention toward the American presence in Laos. They have whipped up student activists, political opportunists, war veterans, and labor organizations, and have encouraged them to mount increasingly hostile street demonstrations against US government installations and personnel in Vientiane and other major urban areas in the non-communist zone.

The Pathet Lao's minimum objective appears to be the elimination of AID and other US organizations from provincial Laos. If the statements of communist Deputy Prime Minister Phoumi Vongvichit are to be believed, however, the Pathet Lao may be willing to tolerate—for the moment, at least—a reduced US official presence in Vientiane. They also appear willing, and in some cases even anxious, to receive unconditional US assistance, provided such aid is channeled directly to the coalition government, which now is effectively under their control.

The clearly Pathet Lao - inspired demonstrations against AID facilities in Savannakhet and Luang Prabang, which began on May 13, are continuing. Student agitators in Savannakhet have occupied the AID compound, and they are still holding hostage three of its American employees and the area's rightist provincial governor. They are demanding that the coalition government send a delegation to remedy their grievances, which are a carbon copy of those recently espoused by the so-called "People's Liberation Movement" in the southern rightist stronghold of Pakse.

Aside from the ouster of AID, these demands include:

--the "neutralization" of Savannakhet and the rest of the central Laotian panhandle provinces, and their direct administration by the coalition government;

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-- the removal from office of most civilian and military rightist officials, and the formal ouster of Prince Boun Oum na Champassak as "inspector general of the kingdom";

--freedom of movement and commerce between non-communist and Pathet Lao zones in central and southern Laos.

No Americans have been seized during the demonstrations in Luang Prabang, but the AID compound there has been thoroughly vandalized and a number of local business establishments looted. All official US personnel and their dependents were safely evacuated by air late yesterday.

The US chargé has registered a strong protest with both Prime Minister Souvanna Phouma and his Pathet Lao deputy, Phoumi, over the incidents in Savannakhet and Luang Prabang, and has demanded the immediate release of the three American hostages. He warned both coalition leaders that he was seeking authority to cease all US assistance programs and to withdraw the bulk of the American community from Laos. (All US aid shipments to Laos, with the exception of rice, medical supplies, clothing, and POL have been officially suspended.)

The chargé described Souvanna as "weary and manifestly troubled." Although he promised to "look into the whole matter," the Prime Minister was visibly annoyed and said he would not "submit to US threats." For his part, Phoumi promised little more than that he too would "look into the situation." [

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PORTUGAL

The Portuguese Council of Ministers has announced further nationalization measures. The council made the announcement Tuesday,

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The present extension of government control in the private sector includes the takeover of six tobacco companies and the majority of companies in the cement and cellulose industries. As with the earlier measures, foreign-owned companies are not directly affected.

The government also approved a mimimum wage, covering nearly all employees, of \$160 per month, which is a 21-percent increase. An income freeze has been placed upon all persons earning more than \$480 per month, and a maximum wage of \$1,956 monthly has been enacted. These wage measures will be hard to enforce and are likely to accelerate the present economic decline. The maximum wage provision could have a particularly negative impact, as it will encourage managerial and professional personnel to leave the country in increasing numbers.

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ISRAEL-LEBANON

Israeli army units have been raiding villages inside Lebanon over the past three days.

Harassment of Israeli reconnaissance patrols last week by mortar fire from Lebanese forces was apparently the principal cause of the recent Israeli actions, which included the taking of civilian prisoners. The approach of today's anniversary of the Arab attack on Israel in 1948--often the occasion for fedayeen terrorist incidents-was probably another factor.

Although Israeli reconnaissance units routinely patrol inside the southern border of Lebanon, Israeli troops had not entered villages or taken captives since the major clashes with fedayeen units last January.

On Monday, however, Israeli troops raided a border settlement inside Lebanon and reportedly blew up a cafe before returning with a number of Lebanese and Palestinian prisoners. Searches and demolitions of buildings in other border villages on Tuesday and Wednesday brought a response from Lebanese army units, which fired mortar and perhaps artillery shells.

No casualties have been reported from any of these activities, and Israel announced yesterday that it had released some of the villagers taken during the raids.

Lebanon has announced that its ambassador to the UN has been instructed to lodge a complaint with the Security Council against Israel's actions.

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PLO

The meager results of Yasir Arafat's recent trip to Moscow have prompted some Palestinian leaders to question the extent of Soviet backing for the Palestine Liberation Organization.

The Palestinians are particularly concerned over Moscow's attempts to elicit from them some recognition of Israel in return for an invitation to the Geneva talks. They suspect that the Soviets may be working with the US to minimize the Palestinians' role at Geneva as a means of satisfying the demands of Egypt and Syria without forcing the Israelis to boycott the next session of talks.

In the communiqué issued at the end of his Moscow visit, Arafat in effect acknowledged that the Palestinians would go to Geneva if invited to participate "on an equal footing" with the other parties. This indirect statement of willingness to negotiate with Israel represents—in Palestinian eyes—a significant concession.

Leaders of the PLO feel they can go no further toward announcing a willingness to negotiate, or toward acknowledging Israel's right to exist, without alienating their Palestinian and radical Arab backers. Some of Arafat's moderate colleagues are raising questions about the wisdom of going to Geneva under any circumstances, and spokesmen for the "rejection front" have launched a new attack on him for his implied acceptance of the Geneva conference.

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Arafat apparently has concluded that until he wins some such concession, he dares not give an inch.

PLO spokesmen and information media are nevertheless describing Arafat's visit to the USSR as the "most successful ever." This is an attempt to minimize the damage to Arafat's reputation and draw attention away from the embarrassing lack of concrete accomplishments. Profedayeen newspapers in Beirut have claimed that the long-delayed opening of the PLO office in Moscow will take place in two weeks, and have alleged that the Soviets promised a variety of unspecified economic, military, and political assistance to the Palestinians.

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ARGENTINA

The selection of Major General Alberto Numa Laplane as army commander to replace Lieutenant General Leandro Anaya, who has retired at the request of President Peron, was undoubtedly a power play by Social Welfare Minister and presidential adviser Jose Lopez Rega to extend his control to the army. Laplane, commanding general of the 1st Corps in Buenos Aires, is considered the most properonist of senior army officers, and his selection will cause the retirement of three major generals senior to him.

The strong sentiment against Lopez Rega within the army, coupled with the probable resentment of senior officers over the blatant political nature of Anaya's dismissal, could spark coup plotting. The suddenness of the move, however, as well as the lack of consensus within the officer corps on what political role the army should play, probably rules out drastic measures for now.

The reaction of the three major generals forced to retire prematurely, particularly 2nd Corps Commander Gomez Centurion, will tend to shape the army response. Additionally, the officer corps will probably scrutinize Laplane carefully to determine if his loyalties are with the army or with orthodox Peronism. If he gives signs of being a tool of Lopez Rega, opposition to him will greatly increase.

General Anaya has been a malleable and relatively apolitical commander since he took over in December 1973. He has drawn considerable criticism from his officers because of his lack of an aggressive response to terrorism in general and to the assassinations of army officers in particular.

Of late, Anaya has established close ties with labor and opposition political leaders desirous of having Lopez Rega out of government. It was probably this fact that caused the latter to believe the moment ripe to prevail on the President to appoint Laplane.

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